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**Attendee Brochure**

# Tax, Regulatory & Risk Management Conference

OCTOBER 30 – 31, 2016 • ORLANDO, FL



[www.nbaa.org/tax/2016](http://www.nbaa.org/tax/2016)

# CONNECT TAX AND REGULATORY PLANNING: *SUBSTANTIATE OWNERSHIP STRUCTURES*

Register now to attend the 2016 NBAA Tax, Regulatory & Risk Management Conference on October 30 and 31 at the Orange County Convention Center in Orlando, FL. Join over 300 attendees from all segments of business aviation to develop strategies for connecting tax and regulatory planning while protecting your ownership structure from audits.

This is the premier conference for attorneys, CPAs, financial advisors, CFOs and flight operations professionals looking for tax planning strategies from industry leaders. Valuable networking opportunities are provided during breaks, lunches and an evening reception. This event is held in conjunction with the NBAA Business Aviation Convention & Exhibition (NBAA-BACE), and complimentary registration is provided to all Tax Conference attendees.

**OCTOBER 30 – 31, 2016**

**Orange County Convention Center | Orlando, FL**

## REGISTER BY OCTOBER 7 FOR THE EARLY BIRD MEMBER PRICE OF \$1,300

**PLUS!** All attendees of the conference receive complimentary 2016 NBAA-BACE registration!

Registration is available online: [www.nbaa.org/tax/2016](http://www.nbaa.org/tax/2016)

CONNECT WITH US



## NEW FOR 2016

The conference agenda features new sessions and speakers each year, for example:

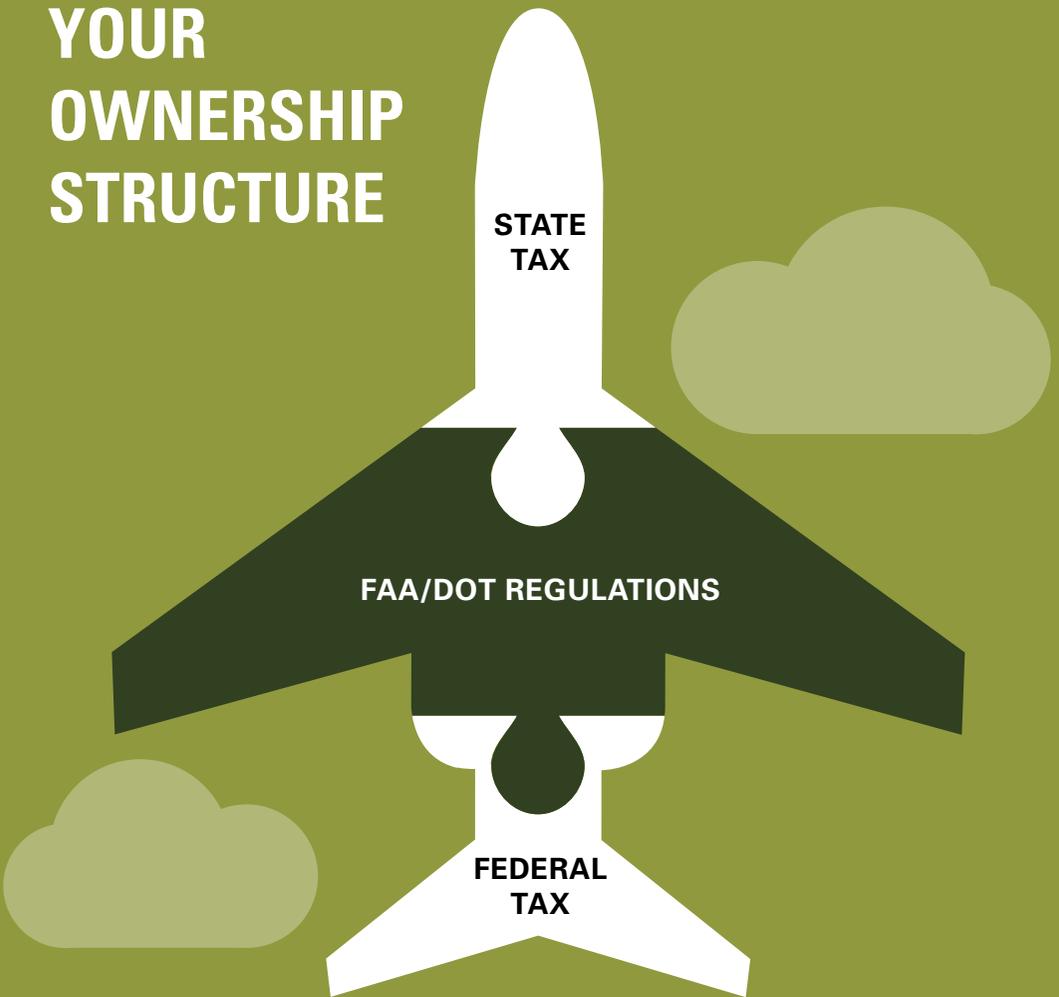
- Learn about the “big four” federal tax topics, including ordinary and necessary expenses, hobby loss rules, passive loss limitations and non-business use rules.
- Obtain specific strategies for protecting your aircraft ownership and operating structure from federal and state tax audits.
- Analyze the economics of hourly cost maintenance programs available for business aircraft.
- Interact with presenters in real time through NBAA’s new audience engagement mobile app.

# CONQUER THE BIG FOUR FEDERAL TAX CHALLENGES





# ASSEMBLING YOUR OWNERSHIP STRUCTURE





## LEARNING OBJECTIVES

Attendees of the 2016 NBAA Tax Conference will learn how to:

- Understand how FAA and DOT regulatory requirements affect the structure of owning and operating business aircraft.
- Utilize real world scenarios to learn about tax planning strategies and defenses to overcome potential audit challenges.
- Review how state tax planning strategies, including leasing and commercial use, provide opportunities and also present potential drawbacks.
- Review common tax planning questions, including how fair market aircraft lease rates are determined.
- Prepare for changes in the on-demand market with an analysis of new scheduled and per seat business models, and also learn about the latest federal excise tax issues.
- Develop a strategy for SEC disclosures related to public company use of business aircraft.
- Analyze the pros and cons of hourly cost maintenance programs.
- Plan for the tax and customs consequences of international operations to the EU (and UK) and beyond.
- Review the regulatory options (and limitations) to understand how multiple owners can share use of an aircraft, and options for providing use to others while receiving compensation.
- Plan for non-business use by understanding required tax calculations and proper documentation of flight classifications.
- Track tax issues throughout aircraft ownership, including basis and the treatment of repair and maintenance costs.
- Develop risk management strategies for aircraft operations and best practices to avoid cybercrime threats during transactions.

# CONFERENCE AGENDA

## SUNDAY, OCTOBER 30

**8:30 a.m. – 9:00 a.m. Registration and Continental Breakfast**

**9:00 a.m. – 9:10 a.m. Welcome and Introduction**

**9:10 a.m. – 9:45 a.m. Conference Preflight:  
Complying with FAA and DOT Regulations**

*Sean Fitzgibbons, Walmart; Jeff Wieand, Boston Jet Search*

Understand how the FAA and DOT regulatory requirements affect the structure of owning and operating business aircraft. Information will be presented in a dialogue between an aviation attorney and his client, who will discuss issues such as operational control, charging for flights, intercompany flights and the consequences of operating under Part 135 of the FAA regulations.

**9:45 a.m. – 10:45 a.m. How Federal Tax Planning Drives Ownership Structures**

*Jed Wolcott, Wolcott & Associates, P.A.*

Analyze “the big four” federal tax topics that aircraft owners and operators must address, including ordinary and necessary expenses, hobby loss rules, passive loss limitations and non-business use rules. Each of these IRS code sections require a unique planning strategy that often conflicts with FAA or state tax considerations. Through real world scenarios learn about successful tax planning strategies and defenses to overcome potential audit challenges.

**10:45 a.m. – 11:15 a.m. Break**

**11:15 a.m. – 11:45 a.m. Matching State Tax Planning with Ownership Structures**

*Ed Kammerer, Hinckley Allen*

Develop a state tax planning strategy that is complementary to federal tax and FAA compliance, while avoiding traps for the unwary. Through coordination with the “big four” IRS code sections, learn how certain state tax planning strategies, including leasing and commercial use, provide opportunities and also potential drawbacks. Finally, understand how state use tax liabilities can occur even after the closing.

**11:45 a.m. – 12:30 p.m. Substantiating Your Ownership Structure and Expenses**

*John Hoover, Cooley LLP*

Prepare for state and federal tax challenges that often occur after the aircraft ownership structure has been created. While state tax planning can drive establishment of leasing structures, how are fair market lease rates determined? To address passive loss and hobby loss limitations, it may be advisable to group aircraft and business activities together for tax purposes, how are these determinations made?

**12:30 p.m. – 1:45 p.m. Lunch**

**1:45 p.m. – 2:30 p.m.      BREAKOUT SESSIONS**

**Option A: New On-Demand Business Models  
and Part 135 Hot Topics**

*Gary Arber, PlaneSense; Gary Garofalo, Garofalo Goerlich Hainbach PC*

Understand how FAA and DOT regulations govern on-demand aircraft operations (i.e. Part 135) and the challenges of applying these rules to new business models, including “ridesharing” and scheduled services. In addition to regulatory issues, learn best practices for applying federal excise tax to commercial operations, and the latest on IRS interpretations relating to excise tax and aircraft management companies.

**Option B: Compliance Issues for Public Companies**

*Doug Stewart, AircraftLogs (moderator); Alan Goldstein, CPA;  
Alvaro Pascotto, Law Offices of Alvaro Pascotto*

Analyze actual SEC disclosures to understand how public companies report business aircraft use and what trends exist in usage. What are the common structures used by public companies to own/operate aircraft and how do these impact SEC disclosures? Finally, examine public relations approaches for managing SEC disclosures and strategies for enhancing communication between the flight department and other corporate functions.

**2:45 p.m. – 3:30 p.m.      BREAKOUT SESSIONS**

**Option A: Economics of Maintenance Programs**

*Cliff Maine, Barnes & Thornburg (moderator);  
Tony Kioussis, Asset Insight; Stephen Friedrich, Rolls-Royce*

Participate in a discussion on the key aspects of engine, parts, airframe and other hourly cost maintenance programs available for business aircraft. The panel will analyze economic, resale and tax issues to consider when evaluating these programs. Finally, understand how maintenance condition relates to aircraft value and the metrics available to understand the relationship.

**Option B: Business Aviation in Challenging Jurisdictions**

*David Hernandez, Vedder Price; James Meyer, Harper Meyer*

Learn how U.S. trade laws with respect to Cuba, Russia, Iran and other countries present unique challenges. When buying, selling and operating aircraft in “risky” jurisdictions, how do export controls and trade restrictions come into play? In these markets, strategies to “know your customer” and avoid unwelcome surprises are critical. For flights to Cuba, obtain the latest information on operations and specific regulatory requirements for flight planning.

**3:30 p.m. – 3:45 p.m.      Afternoon Break**

**3:45 p.m. – 5:00 p.m.      Business Aircraft Sharing: Tax and Regulatory Implications**

*Joanne Barbera, Barbera and Watkins LLC (moderator);  
Ryan DeMoor, Amway; Stewart Lapayowker, Lapayowker Jet Counsel, P.A.*

Utilize allowances under Part 91 of the federal aviation regulations to conduct business aviation flights and receive reimbursement. Through a review of the regulatory options (and limitations), understand how multiple owners can share use of an aircraft, and options for providing use to others while receiving compensation through time sharing, interchange, dry leasing and charter. For aircraft sharing, review the importance of coordination with tax planning decisions.

**5:00 p.m. – 6:00 p.m.      Attendee and Speaker Reception**

*Sponsored by Aerlex Tax Services*



## MONDAY, OCTOBER 31

**8:30 a.m. – 9:00 a.m. Continental Breakfast**

**9:00 a.m. – 9:10 a.m. Welcome and Day Two Introduction**

**9:10 a.m. – 10:10 a.m. Fundamentals of Managing Non-Business Aircraft Use**  
*Keith Swirsky, GKG Law*

Learn how the tax implications of non-business aircraft use require coordination with development of the aircraft ownership and operating structure. With the significant record keeping requirements related to fringe benefit calculations (i.e. SIFL) and the entertainment use disallowance, what is the typical work flow companies use to manage and track non-business use? Also, review potential audit triggers and the importance of having a process for classifying flights in a timely manner.

**10:10 a.m. – 10:40 a.m. Break**

**10:40 a.m. – 11:40 a.m. Non-Business Aircraft Use: Calculations and Audit Preparation**  
*Phil Crowther, Jackson & Wade; George Rice, Rice & Associates*

Analyze real world flight scenarios and the process for calculating the value of non-business flights (i.e. SIFL or fair market value) and potential entertainment use disallowances. Increase your chances of receiving applicable tax deductions by understanding how to properly document aircraft expenses. Also, learn how to deduct expenses for customer entertainment and the proper treatment of commuting costs.

**11:40 a.m. – 12:30 p.m. Tracking Tax Issues Throughout Aircraft Ownership**  
*Rick Farley, PwC*

Plan for tax issues during the ownership cycle, including tracking private vs. commercial use, the impact of leasing structures on federal tax planning and the “leasing company trap.” When a like-kind exchange is used learn about the importance of tracking basis and review why there may be a need to bifurcate depreciation between business and personal use at disposition. For aircraft repair and maintenance costs, review IRS regulations to understand what events might rise to the level of a capital expenditure.

**12:30 p.m. – 1:45 p.m. Lunch**



**1:45 p.m. – 2:45 p.m.      BREAKOUT SESSIONS**

**Option A: EU VAT and Customs Update  
(including Brexit implications)**

*Adrian Jones, Martyn Fiddler Associates Ltd (moderator);  
Martin Kennaugh, ICM Group; Eileen Gleimer, Crowell & Moring*

Plan for business aviation operators to the EU with a discussion of aircraft importation considerations, customs duties, and an overview of value added tax. Learn how differences in definitions for certain categories of aircraft operations can cause confusion and require advance planning. Finally, receive the latest updates on Brexit and how it might impact aircraft operations and transactions in the United Kingdom and EU.

**Option B: Why State Tax Planning Doesn't End at Closing**

*Nel Stubbs, Conklin & de Decker*

Create a strategy for managing state taxes and fees on aircraft, beyond sales and use tax. In many states personal property/ad valorem taxes and aircraft registration fees can be complex and costly. These taxes and fees are typically imposed on an annual basis which requires continued planning. Also, learn how an aircraft owner can face these taxes and fees in multiple states which requires advance coordination.

**2:45 p.m. – 3:15 p.m.      Break**

**3:15 p.m. – 4:15 p.m.      Managing Risk in Aircraft Transactions and Operations**

*Todd Guelich, Aircsure; Scott McCreary, McAfee & Taft*

Review how insurance and risk management planning require coordination with the aircraft ownership and operating structure. With situations involving multiple non-exclusive leases, timesharing, and interchange agreements, what are the unique insurance considerations? Learn how loan covenants and financing terms impact risk management decisions, and steps to protect yourself from cyber crime during aircraft transactions.

**4:15 p.m. – 5:00 p.m.      Interactive Q&A with NBAA Tax Committee**

Using the NBAA's mobile app, review the key conference learning objectives and have your questions answered by experts from NBAA's Tax Committee.

# HOTEL & TRAVEL INFORMATION

## CONFERENCE LOCATION

**Orange County Convention Center**  
9899 International Drive  
Orlando, FL 32819

## HOTELS

There are a variety of hotels and price points available throughout the Orlando area when booking through onPeak, along with exclusive discounts on airline travel and car rental for Tax Conference attendees: [www.nbaa.org/tax/housing](http://www.nbaa.org/tax/housing).

## CONFERENCE SPONSORS

NBAA thanks its generous sponsors for supporting the 2016 Tax Seminar series:

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## CONTINUING EDUCATION CREDITS

### CPE CREDIT

Attending this NBAA Tax, Regulatory & Risk Management Conference provides a maximum of **15.0 hours** of recommended continuing education (CPE) credits. In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

NBAA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).

**Course Level:** Basic

**Prerequisite:** None

**Preparation:** None required

**Delivery Method:** Group-Live

**Level of Knowledge:** Overview

**Maximum CPE Credit:** 15.0 hours

**Fields of Study:** Taxes (9.5 hours maximum CPE recommended)

Business Law (5.5 hours maximum CPE recommended)

**CPE Complaint Resolution Policy:** For more information regarding administrative policies such as complaint and refund, please contact the National Business Aviation Association at (202) 783-9000.

### CLE CREDIT

NBAA has not submitted this course for approval to any state CLE provider and will provide attorneys with an attendance confirmation letter to support their application for CLE credit in their respective states. Based on a 50-minute hour, the conference may be eligible for a maximum of 15.0 CLE credits for the full course.

### CAM CREDIT

Candidates for the NBAA Certified Aviation Manager (CAM) credential may earn one point toward their CAM application or renewal by attending this conference.



National Business Aviation Association  
1200 G Street NW, Suite 1100  
Washington, DC 20005

## SAVE THE DATES

NBAA hosts other events valuable for those with an interest in aviation tax, operational and regulatory issues. Check [www.nbaa.org/events](http://www.nbaa.org/events) for agendas and registration information, available within the months preceding the events:

**NBAA Business Aviation Convention & Exhibition (NBAA-BACE)**  
November 1 – 3, 2016 | Orlando, FL

**NBAA Business Aircraft Finance, Registration & Legal Conference**  
March 5 – 7, 2017 | Bonita Springs, FL

**NBAA Business Aviation Taxes Seminar**  
May 4 – 5, 2017 | Marina del Rey, CA

**EBACE International Aircraft Transactions Seminar**  
May 21, 2017 | Geneva, Switzerland